Montana Department of Natural Resources and Conservation
Water Resources Division
Water Rights Bureau

ENVIRONMENTAL ASSESSMENT
For Routine Actions with Limited Environmental Impact

Part I. Proposed Action Description

1. Applicant/Contact name and address: Main Street Water, LLC
   110 10th Ave. NW
   Sidney, MT 59270

2. Type of action: Application for Beneficial Water Use Permit No. 42M-30066151

3. Water source name: Groundwater

4. Location affected by project: Lot 13, Block 20, Kenoyer add (Sidney), Section 33, T23N, R59E, Richland County

5. Narrative summary of the proposed project, purpose, action to be taken, and benefits:

   This permit application is for the diversion of 230 gallons per minute (GPM) for a total volume of 367.8 Acre-feet (AF) per year by Main Street Water, LLC. The point of diversion is three wells located in Lot 13, Block 20, Kenoyer add (Sidney), Section 33, T23N, R59E, Richland County. The place of use is at the same location. The water is to be used for water marketing and will ultimately be used in oil and gas development. The beneficial use will provide water for oil well development and financial gain through sale of water for the Applicant. The construction of this project has already been completed. The Applicant was already selling water purchased from the city of Sidney for oil and gas development; however this is no longer an option.

   The DNRC shall issue a water use permit if an applicant proves the criteria in 85-2-311 MCA are met.

6. Agencies consulted during preparation of the Environmental Assessment:

   - US Fish & Wildlife Service
   - Montana Natural Heritage Program
   - Montana Department of Fish, Wildlife, & Parks
   - Montana Department of Environmental Quality
   - USDA Web Soil Survey
   - National Wetlands Inventory

Part II. Environmental Review

1. Environmental Impact Checklist:

PHYSICAL ENVIRONMENT

WATER QUANTITY, QUALITY AND DISTRIBUTION

Water quantity *- Assess whether the source of supply is identified as a chronically or periodically dewatered stream by DFWP. Assess whether the proposed use will worsen the already dewatered condition.*

Determination: This reach of the Yellowstone River is not identified as a chronically or periodically dewatered stream by the Montana Department of Fish, Wildlife, & Parks (DFWP). The DFWP has a water reservation on this portion of the Yellowstone River to maintain instream flows that varies depending on the time of year. The following table provides the instream flows by month.

Section: N.D. BORDER to TONGUE R **Type:** Water Reservation Granted **River Miles:** 15.3 to 183			
Begin Date	End Date	Flow (CFS)	Priority Date
1-Jan	31-Jan	3738	12/15/1978
1-Feb	31-Feb	4327	12/15/1978
1-Mar	31-Mar	6778	12/15/1978
1-Apr	31-Apr	6808	12/15/1978
1-May	31-May	11964	12/15/1978
1-Jun	31-Jun	25140	12/15/1978
1-Jul	31-Jul	10526	12/15/1978
1-Aug	31-Aug	2670	12/15/1978
1-Sep	31-Sep	3276	12/15/1978
1-Oct	31-Oct	6008	12/15/1978
1-Nov	31-Nov	5848	12/15/1978
1-Dec	31-Dec	3998	12/15/1978

Water quality *- Assess whether the stream is listed as water quality impaired or threatened by DEQ, and whether the proposed project will affect water quality.*

Determination: The Yellowstone River is listed on the TMDL 303(d) list as partially supporting aquatic life. The impairment to aquatic life is likely due to a combination of factors that include bank vegetation alteration, hydrostructure flow modification, and heavy metals. Issuance of the requested appropriation is unlikely to have any significant impact on water quality.

Groundwater *- Assess if the proposed project impacts ground water quality or supply.*

If this is a groundwater appropriation, assess if it could impact adjacent surface water flows.

Determination: The groundwater aquifer indicated in this application has been shown to be hydraulically connected to the Yellowstone River. It has been determined by DNRC hydrologists that there will be a net depletion of 228 GPM on the Yellowstone River.

DIVERSION WORKS - *Assess whether the means of diversion, construction and operation of the appropriation works of the proposed project will impact any of the following: channel impacts, flow modifications, barriers, riparian areas, dams, well construction.*

Determination: As this is a groundwater diversion it should have no effect on channel impacts, flow modifications, barriers, riparian areas, or dams.

UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES

Endangered and threatened species - *Assess whether the proposed project will impact any threatened or endangered fish, wildlife, plants or aquatic species or any "species of special concern," or create a barrier to the migration or movement of fish or wildlife. For groundwater, assess whether the proposed project, including impacts on adjacent surface flows, would impact any threatened or endangered species or "species of special concern."*

Determination: Fifteen animal species were listed as "species of special concern" for the project area.

Townsend's Big-eared Bat	Blue Sucker	Paddlefish
Black Tailed Prarie Dog	Iowa Darter	Sauger
Hoary Bat	Shortnose Gar	Pallid Sturgeon
Whooping Crane	Sturgeon Chub	Two species of sand-dwelling mayfly
Spiny Softshell turtle	Sicklefin Chub	

Of this list, two animals (whooping crane, pallid sturgeon) that are listed as "endangered" by the US Fish & Wildlife Service are known to inhabit the area; however the proposed project is located within the city of Sidney and has already been completed, so no significant impacts to either species have been identified. One plant "species of special concern" was identified, the Pale-spiked Lobelia. No plant species were identified as "threatened" or "endangered." Since this project has been completed and is located within the city of Sidney, no significant impact to any plants has been identified.

Wetlands - *Consult and assess whether the apparent wetland is a functional wetland (according to COE definitions), and whether the wetland resource would be impacted.*

Determination: There are no wetlands identified within the project area.

Ponds - *For ponds, consult and assess whether existing wildlife, waterfowl, or fisheries resources would be impacted.*

Determination: There are no ponds identified within the project area.

GEOLOGY/SOIL QUALITY, STABILITY AND MOISTURE - *Assess whether there will be degradation of soil quality, alteration of soil stability, or moisture content. Assess whether the soils are heavy in salts that could cause saline seep.*

Determination: There will be no significant degradation or alteration of the soils.

VEGETATION COVER, QUANTITY AND QUALITY/NOXIOUS WEEDS - *Assess impacts to existing vegetative cover. Assess whether the proposed project would result in the establishment or spread of noxious weeds.*

Determination: There will be no significant impact to existing vegetative cover. The project area is a parking lot located within the city of Sidney.

AIR QUALITY - *Assess whether there will be a deterioration of air quality or adverse effects on vegetation due to increased air pollutants.*

Determination: There will be no significant deterioration of air quality associated with this project.

HISTORICAL AND ARCHEOLOGICAL SITES - *Assess whether there will be degradation of unique archeological or historical sites in the vicinity of the proposed project if it is on State or Federal Lands. If it is not on State or Federal Lands simply state NA-project not located on State or Federal Lands.*

Determination: Not applicable, project not located on State or Federal lands.

DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AND ENERGY - *Assess any other impacts on environmental resources of land, water and energy not already addressed.*

Determination: No other potential impacts have been identified.

HUMAN ENVIRONMENT

LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS - *Assess whether the proposed project is inconsistent with any locally adopted environmental plans and goals.*

Determination: No known environmental plans or goals will be impacted by this project.

ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES - *Assess whether the proposed project will impact access to or the quality of recreational and wilderness activities.*

Determination: No access or recreational activities will be significantly impacted by this project.

HUMAN HEALTH - *Assess whether the proposed project impacts on human health.*

Determination: The proposed project will have no significant impact on human health.

PRIVATE PROPERTY - *Assess whether there is any government regulatory impacts on private property rights.*
*Yes___ No_**X**_ If yes, analyze any alternatives considered that could reduce, minimize, or eliminate the regulation of private property rights*.

Determination:

OTHER HUMAN ENVIRONMENTAL ISSUES - *For routine actions of limited environmental impact, the following may be addressed in a checklist fashion.*

Impacts on:

(a) *Cultural uniqueness and diversity?* No significant impacts identified

(b) *Local and state tax base and tax revenues?* No significant impacts identified

(c) *Existing land uses?* No significant impacts identified

(d) *Quantity and distribution of employment?* No significant impacts identified

(e) *Distribution and density of population and housing?* No significant impacts identified

(f) *Demands for government services?* No significant impacts identified

(g) *Industrial and commercial activity?* No significant impacts identified

(h) *Utilities?* No significant impacts identified

(i) *Transportation?* No significant impacts identified

(j) *Safety?* No significant impacts identified

(k) *Other appropriate social and economic circumstances?* None identified

2. *Secondary and cumulative impacts on the physical environment and human population:*

Secondary Impacts No significant impacts identified

Cumulative Impacts Cumulative Impacts of pending or recently permitted rights impacting the Yellowstone River have been examined. The area of examination includes the Lower Yellowstone River from Glendive down to where the river enters North Dakota. The following table shows pending or recently permitted rights and the expected depletion (AF) to surface water on the Yellowstone River.

WR Number	Name	GW or SW	Annual Depletion (AF)
30062767	Montana H2O	GW	585
30064201	Ames/Bell	SW	645
30064191	Thiel	GW	23.2
30064941	Wick	GW	50
30065439	Exploration Drilling	GW	617.2
30066962	Bradley	GW	272
30066963	CR 126 Water	GW	322
30066965	Yellowstone Water	SW	1157
		Total Depletion	3671.4

Based on an annual depletion of 3,671.4 AF, the average depletion from the Yellowstone River for pending or unperfected permits is 5.07 CFS. Since physical and legal availability of surface water can be shown for the Yellowstone River during all months of the year in excess of the combined depletion of 5.07 CFS for pending and unperfected permits, the Department finds the cumulative impacts of pending or unperfected permits will have no significant impact on the water of the Yellowstone River.

3. ***Describe any mitigation/stipulation measures:***
Not Applicable

4. ***Description and analysis of reasonable alternatives to the proposed action, including the no action alternative, if an alternative is reasonably available and prudent to consider:***
The only alternative would be a no action alternative. This is not a realistic option since construction has already been completed and Main Street Water has already been providing water purchased from the city of Sidney to contract holders.

PART III. Conclusion

1. Preferred Alternative
Issue a beneficial water use permit if the applicant proves the criteria in 85.2.302, MCA are met.

2 Comments and Responses

3. ***Finding:***
*Yes___ No_**X**_ Based on the significance criteria evaluated in this EA, is an EIS required?*

If an EIS is not required, explain <u>why</u> the EA is the appropriate level of analysis for this proposed action:

No significant impacts related to the proposed project have been identified.

Name of person(s) responsible for preparation of EA:

Name: Nathaniel T. Ward
Title: Water Resource Specialist
Date: August 16, 2013